

# Calendar No. 1357

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SENATE

{ REPORT  
{ No. 1305

## PERMITTING COMMUNICATION UTILITIES TO CONTRIBUTE FREE SERVICES TO THE NATIONAL DEFENSE

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MARCH 13 (legislative day, MARCH 4), 1940.—Ordered to be printed

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Mr. WALSH, from the Committee on Naval Affairs, submitted the following

### REPORT

[To accompany S. 3018]

The Committee on Naval Affairs, to whom was referred the bill (S. 3018) to amend section 210 of the Communications Act of 1934, approved June 19, 1934 (48 Stat. 1073; 47 U. S. C. 210), so as to permit communication utilities to contribute free services to the national defense, having considered the same, report favorably thereon with amendments and, as amended, recommend that the bill do pass.

Amend the bill as follows:

On page 2, line 5, strike out the words, “, so that section 210 as amended” and all of lines 6 to 24 inclusive.

The purpose of the bill is to authorize communication utilities occasionally to afford, without charge to the Government, a limited amount of service via their communication facilities. This service will have for its purpose, the experimentation and drill of the facilities used, and the drill and indoctrination of personnel, civilian and military, in preparation for the national defense. This service would be voluntary. The bill does not require the utilities to extend this service. It merely authorizes them to render this service if they so desire.

Service of this type has been extended to the Navy for many years by certain of the most prominent radio communication utilities by means of their radio facilities. Since the enactment of the Communications Act of 1934, such radio service has been rendered under a rule of the Federal Communications Commission under section 210 of the act. This rule relates only to radio service.

The bill would authorize this radio service specifically by law and extend authority for similar service by communication utilities other than radio.

The enactment of the bill will involve no expense to the Government. It will involve only negligible expense to those who voluntarily render service under its provisions. This service is not of a commercial character to which established rates apply. The Navy utilizes various types of commercial service daily for which it pays under appropriations allowed by Congress.

The bill was introduced at the request of the Navy Department. The bill meets with the approval of the Federal Communications Commission.

The Navy Department's views relative to this measure are contained in a letter dated February 2, 1939, addressed to the Speaker, House of Representatives, which is hereby made a part of this report.

NAVY DEPARTMENT,  
*Washington, February 2, 1939.*

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES,  
*Washington, D. C.*

MY DEAR MR. SPEAKER: There is transmitted herewith a draft of a proposed bill to amend section 210 of the Communications Act of 1934, approved June 19, 1934 (48 Stat. 1073; 47 U. S. C. 210), so as to permit communication utilities to contribute free services to the national defense.

The purpose of the proposed legislation is to provide a means by which commercial communication utilities may contribute voluntarily and without charges to the national defense in the same manner as they did occasionally prior to enactment of the Communications Act of 1934.

The Navy Department realizes that commercial communication facilities would occupy a position of great importance during war or other national emergency. It follows that these facilities should receive some training during peace in anticipation of absorption into the military services in case of need. It is planned that, should the proposed legislation be enacted, the Navy will engage in a small amount of traffic with commercial utilities without cost to the Government for purposes of training and indoctrination.

The purpose of restrictions upon franks and free services is, no doubt, to prevent preferences and unfair competition among communication utilities. However, the rendering of free services to agencies of the Government in connection with preparations for the national defense in no way constitutes unfair competition, and in view of the great potential importance of commercial communication facilities in national emergencies, it is desired to clarify or amend the law so as to reestablish the cooperation which formerly existed.

The Navy Department recommends that the proposed legislation be enacted.

WILLIAM D. LEAHY, *Acting.*

